

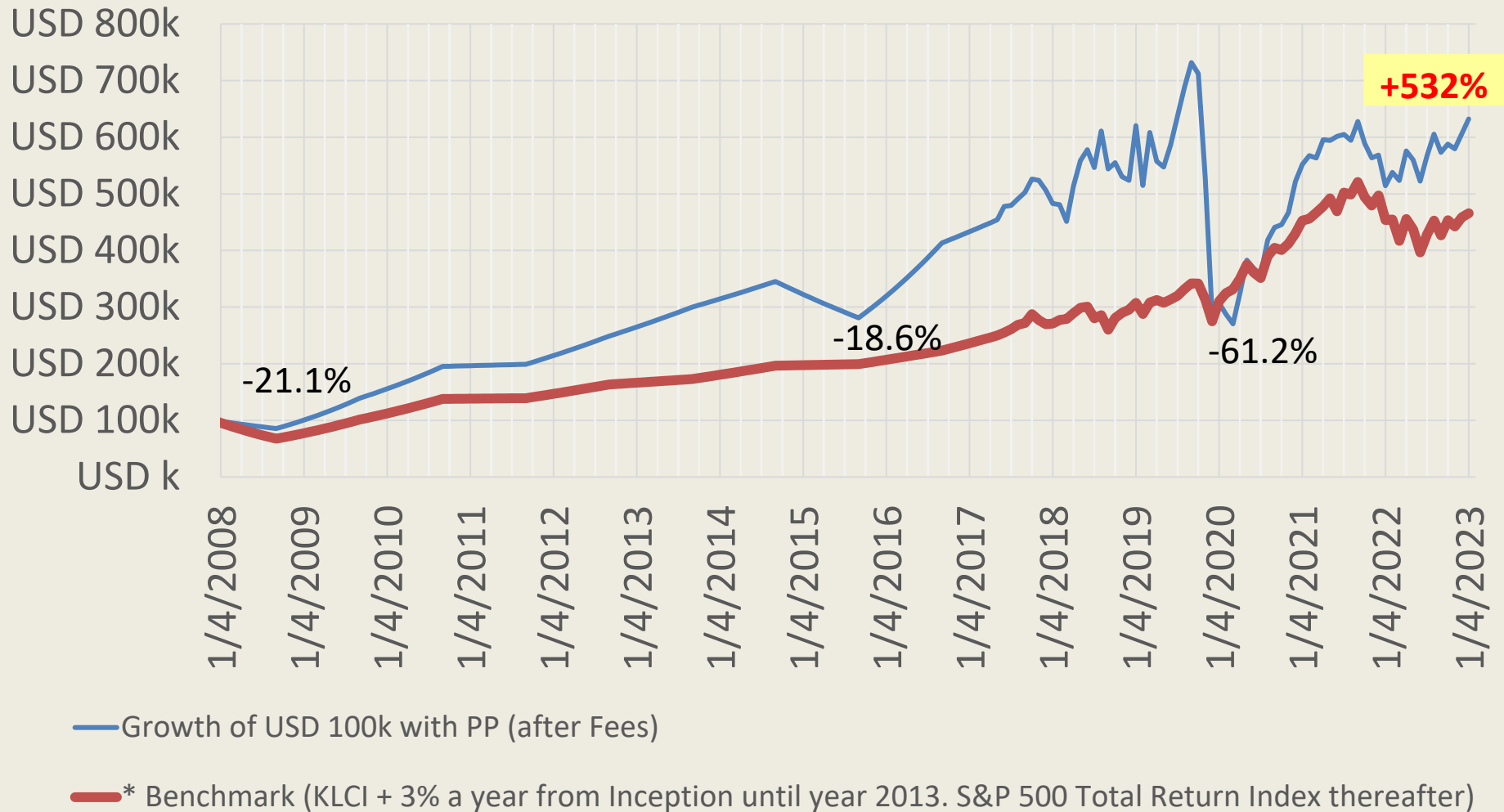
# **Welcome to Peter Partnership Fund 2023**

## **Annual General Meeting** **(and 2023 four months review)**

# Agenda

- Review of Peter Partnership Fund's performance
- A look into PPF's 2022 Portfolio
  - Use of leverage last year, and moving forward.
- Selling Options to enhance returns.
- Why I trimmed O'Reilly and Autozone
- The best stock I've seen over my 18+ years of investing career.
- Q&A

## Growth of USD 100k with PP vs. Benchmark\*

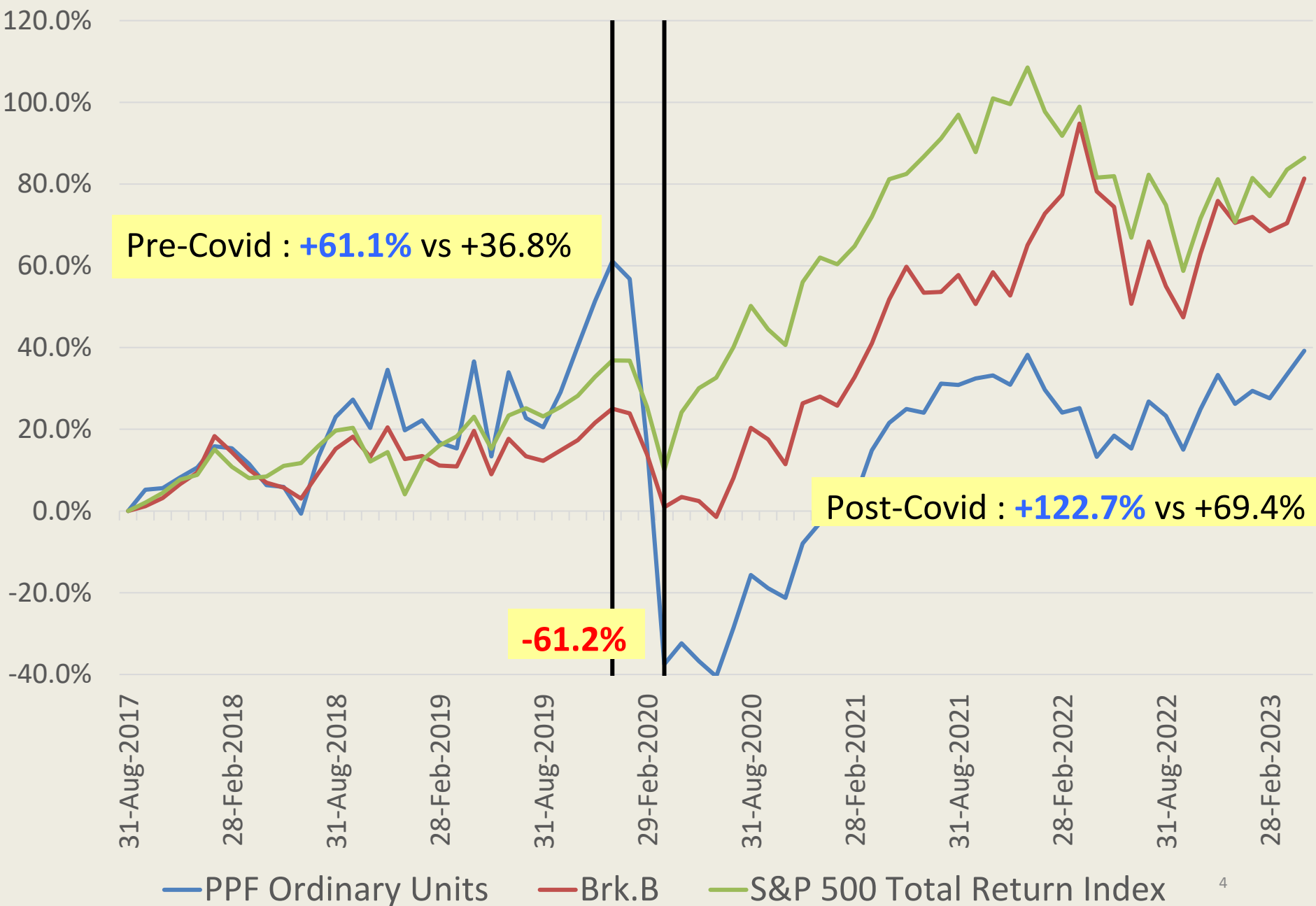


### Annualised Return (USD to USD) (15.08 years)

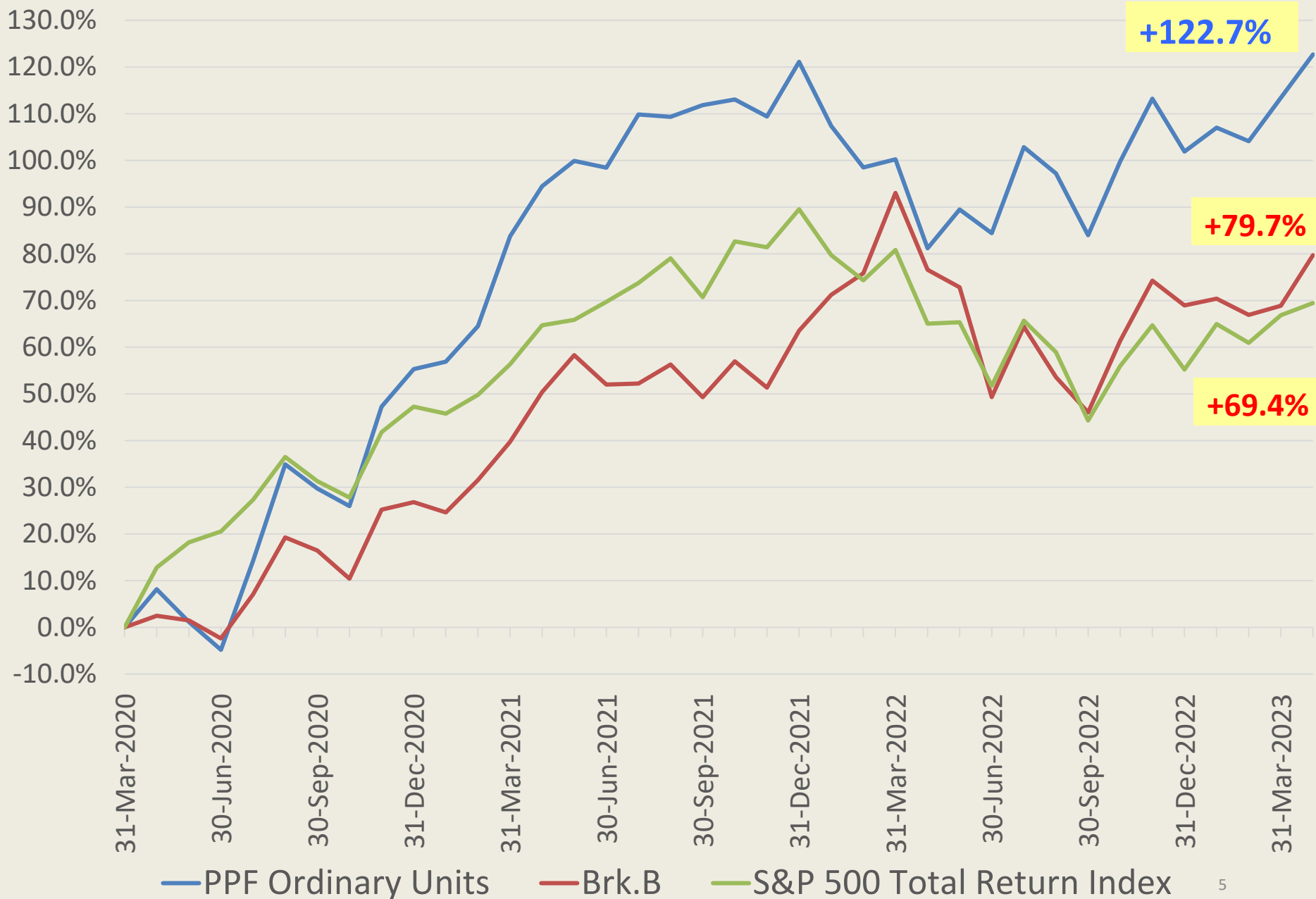
Peter Partnership (PP) : 13.0%

Benchmark : 10.7%

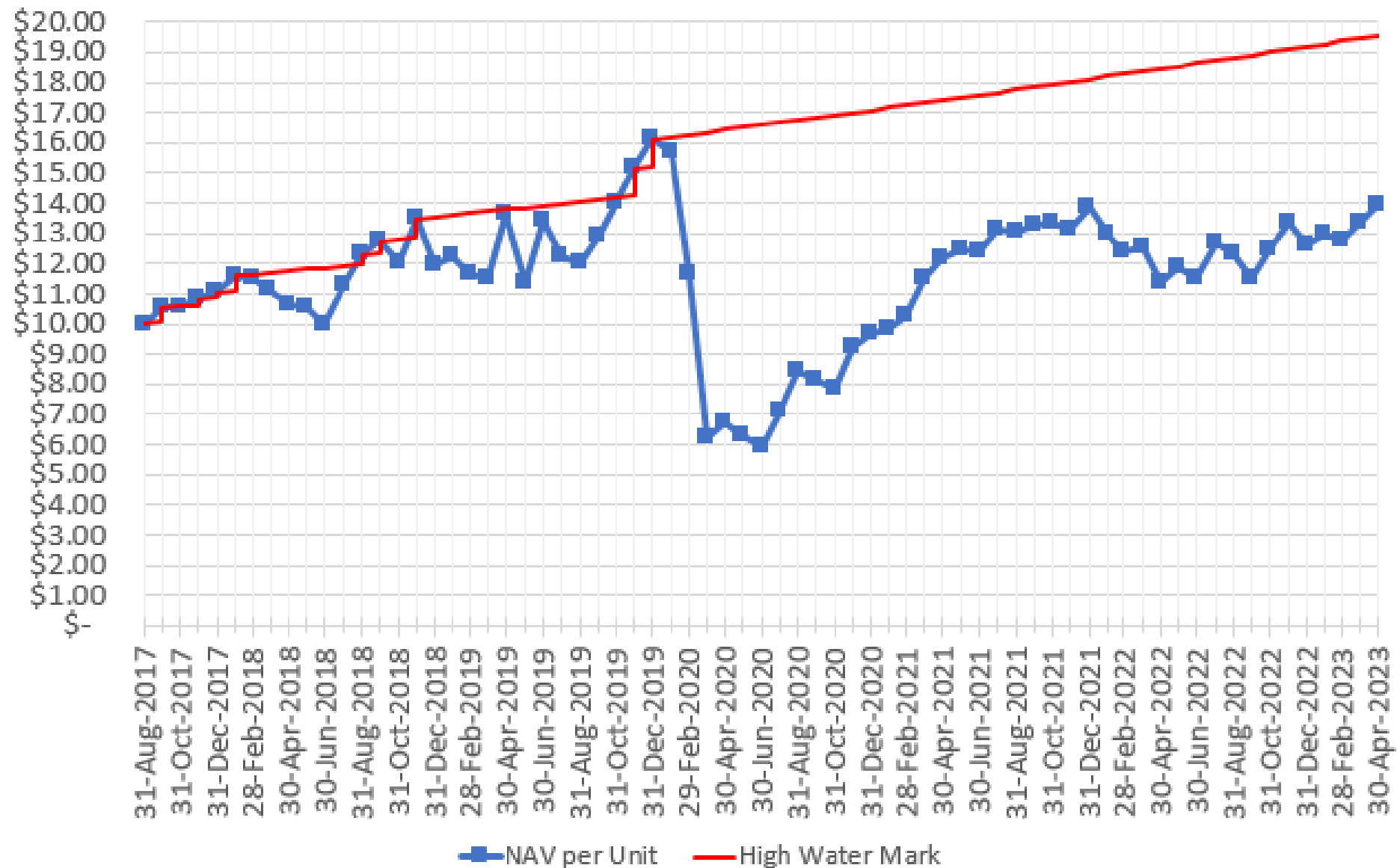
## PP Fund vs Benchmarks



## Post Covid-19: PP Fund vs Benchmarks

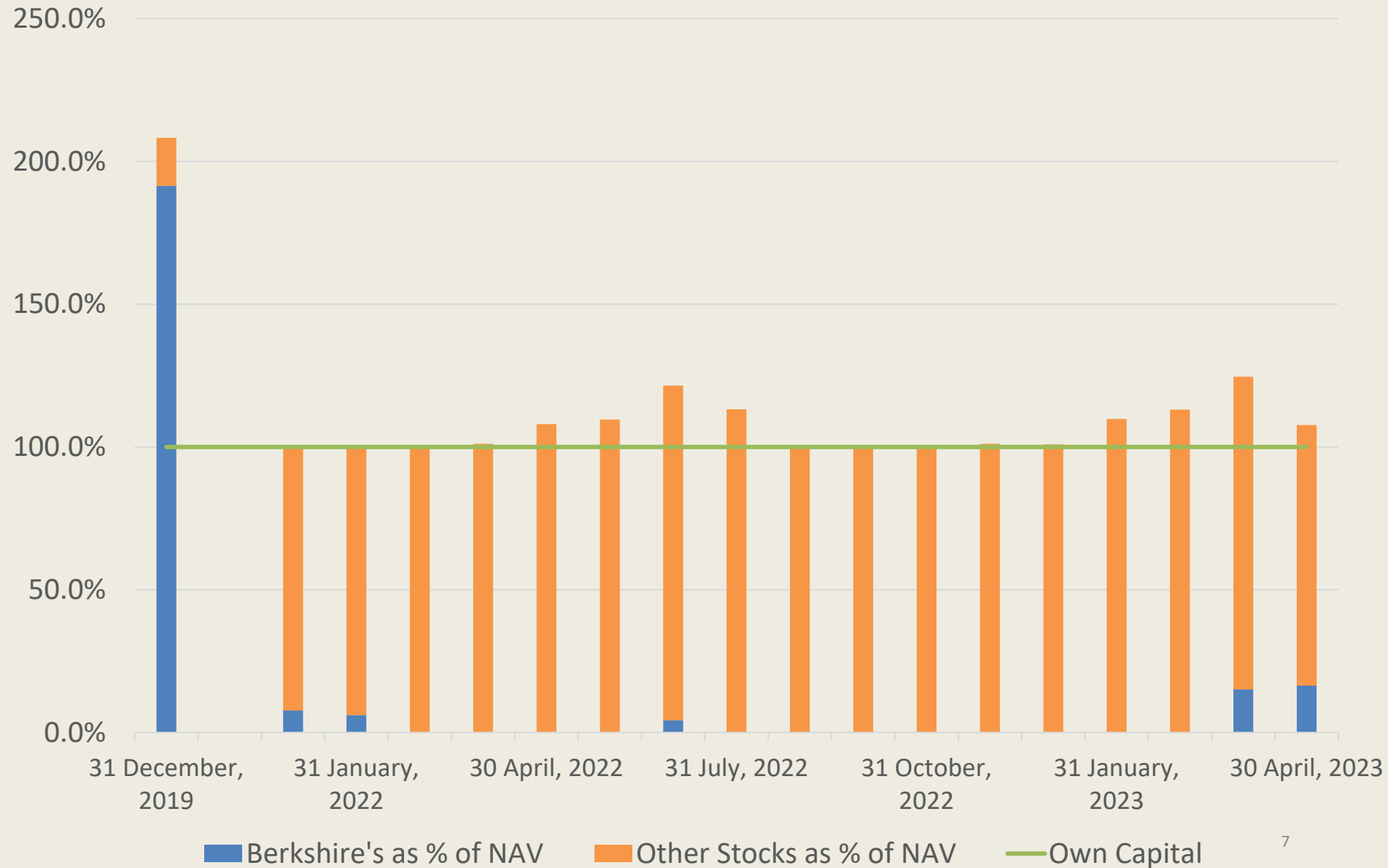


Peter Partnership Fund's Ordinary Unit Price  
with its corresponding High Water Mark since Inception

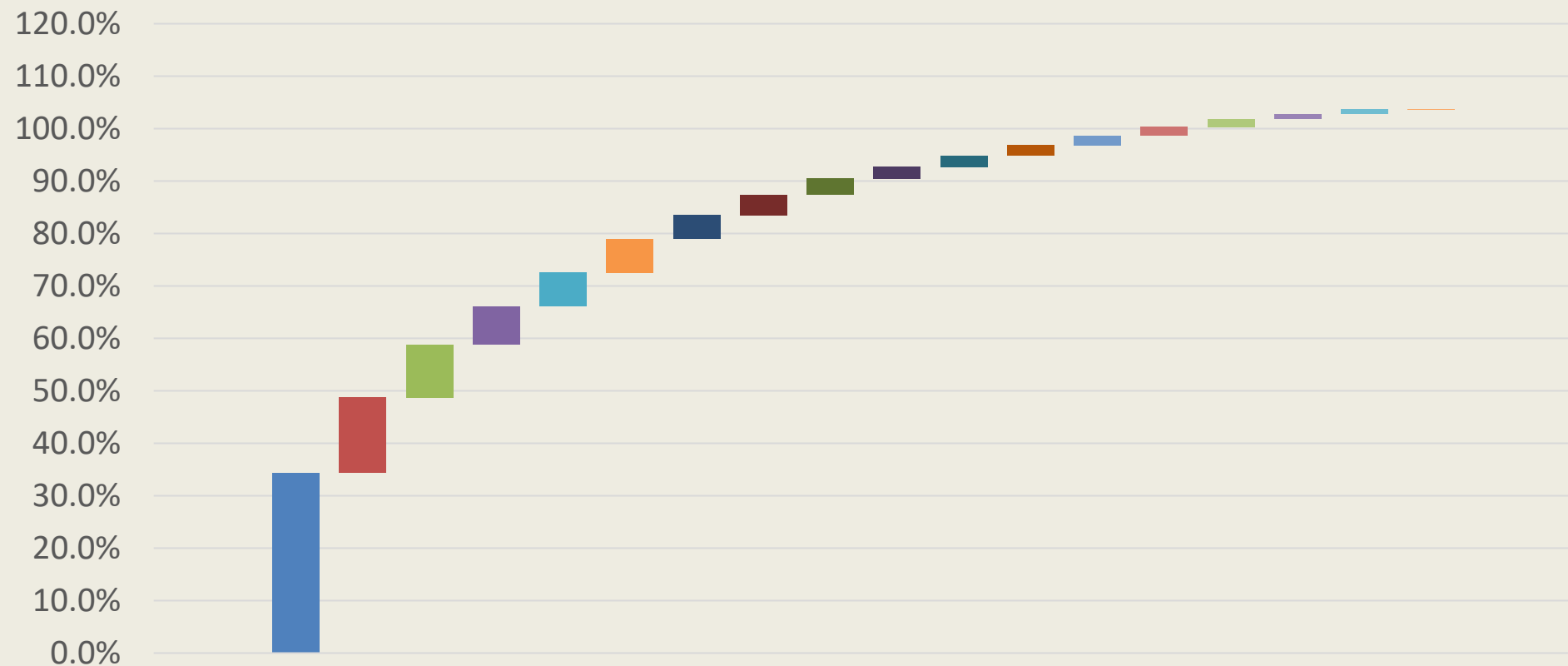


# PPF's use of Leverage

(less than 20% of the fund's NAV at most times)



# PPF's Holdings as at 17th May 2023



% of NAV

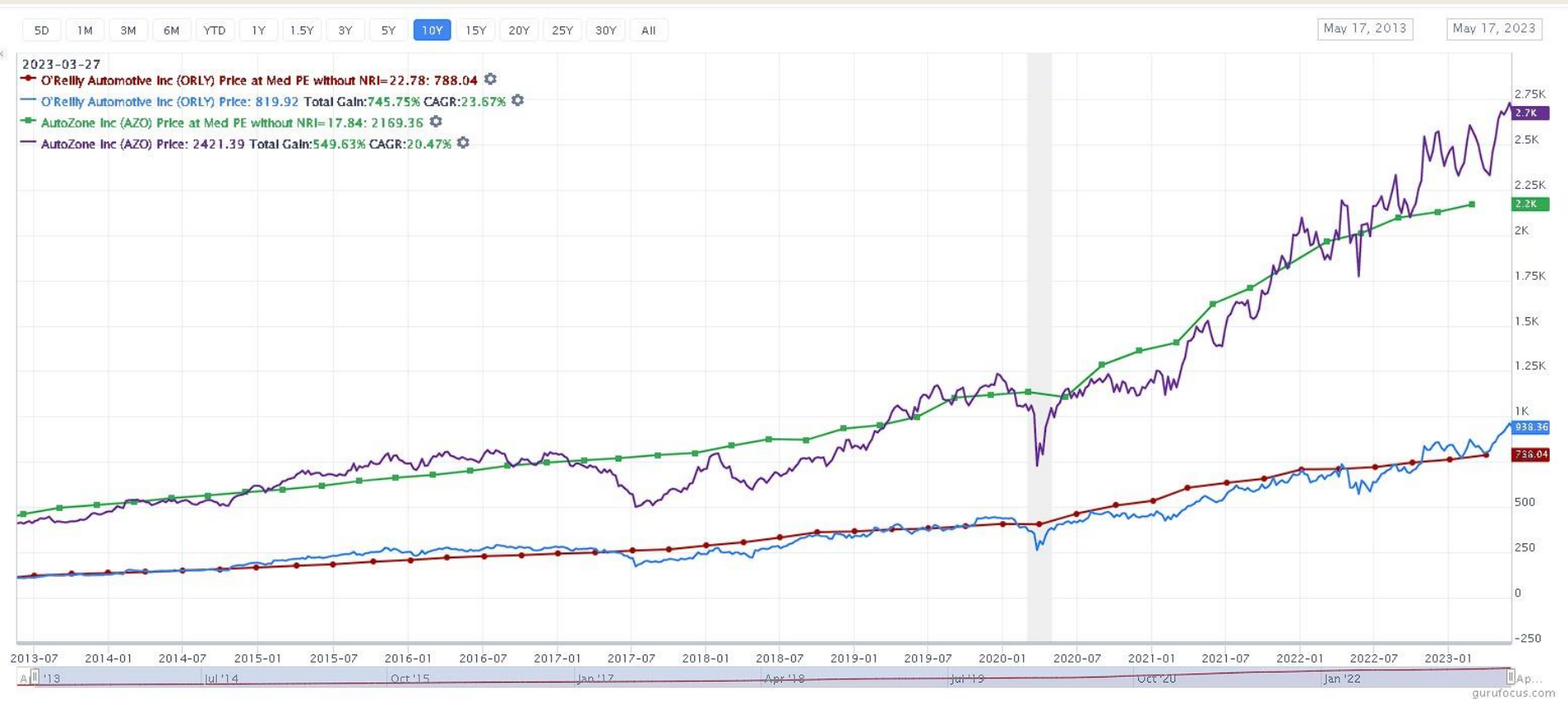
- |                       |                    |                                |
|-----------------------|--------------------|--------------------------------|
| ■ Evolution AB        | ■ Ultra Beauty     | ■ Alimentation Couche-Tard Inc |
| ■ Dominos Pizza       | ■ Tractor Supplies | ■ Visa                         |
| ■ Alphabet            | ■ Brk.B            | ■ Dollar General               |
| ■ Infosys             | ■ Texas Roadhouse  | ■ Autozone                     |
| ■ United Health Group | ■ Verisign         | ■ Accenture                    |
| ■ Mastercard          | ■ JNBY Designs     | ■ Costco                       |



## PPF's Holdings as at 17th May 2023

Company	Value in USD	% of NAV
<b>Evolution AB</b>	<b>\$ 14,331,957.06</b>	<b>34.4%</b>
Ulta Beauty	\$ 5,972,815.40	14.3%
Alimentation Couche-Tard Inc	\$ 4,221,557.05	10.1%
Dominos Pizza	\$ 3,015,419.25	7.2%
Tractor Supplies	\$ 2,708,141.31	6.5%
Visa	\$ 2,665,005.75	6.4%
Alphabet	\$ 1,903,955.04	4.6%
Brk.B	\$ 1,596,353.64	3.8%
Dollar General	\$ 1,305,551.55	3.1%
Infosys	\$ 937,238.19	2.2%
Texas Roadhouse	\$ 877,338.00	2.1%
Autozone	\$ 803,865.00	1.9%
United Health Group	\$ 783,937.77	1.9%
Verisign	\$ 716,672.00	1.7%
Accenture	\$ 610,246.72	1.5%
Mastercard	\$ 390,870.00	0.9%
JNBY Designs	\$ 368,112.46	0.9%
Costco	\$ 49,500.00	0.1%
Liabilities on Unexpired Options	\$ -255,455.00	-0.6%
Loan	\$ -1,318,158.39	-3.2%
<b>NAV</b>	<b><u>\$ 41,685,001.51</u></b>	

# Why I trimmed O'Reilly Automotive and Autozone



Both are still a good company, but it is selling at high valuation in relation to its historical averages

# Berkshire Price is usually traded between +/- 5% from its Intrinsic Value\*



\* Measured as Book Value + Float, totalling about P/B 1.38

## Scenario:

- What if you like a stock (say Costco), but that stock's current price is too high for your liking?
- Costco's Stock Price: \$496.90
- The price u would wanna buy: \$470.00

What can you do ?

A) Put an order "Good Till Cancel".

B) Sell Put Options (at Strike price of \$470, and collect "free" Premiums).

## You can also earn \$ both ways:

- Say you own a stock (Costco bought at \$492),
- And if that stock price drops to \$470, you want to increase your position.
  - Sell Put Options, and collect “free” premiums.
- And if the stock price goes up to \$510, you want to trim down your position.
  - Sell Call Options, and collect “free” premiums.
- What can you do?

# Recent Trades with Costco and Its Options

Financial Instrument	Buys	Sells	Net	Avg (BOT)	Avg (SLD)	Total (BOT)	Total (SLD)	Net Total	Commission	Nt Incl. Cmm
COST NASDAQ.NMS May26'23 470 PUT	0	18	-18		6.00000	0.00	10,800.00	10,800.00	8.21	10,791.79
COST NASDAQ.NMS	255	0	255	492.585...		125,609.34	0.00	-125,60...	1.29	-125,610.63

Trades		Summary					cos		More options		
Financial Instrument		Buys	Sells	Net	Avg (BT)	Avg (SLD)	Ttl (BT)	Ttl (SLD)	Net Total	Comm	Nt Incl....
COST	NASDAQ.NMS Apr28'23 510 C...	0	12	-12		4.90000	0.00	5,880.00	5,880.00	5.46	5,874.54

# What is the annualised returns you can expect from it?

- Good companies at Reasonable price ~ 10% to 15%
  - Sell (or Write) Put options at lower Price
  - Sell (or Write) Call options at higher Price ~ 2% to 4%
  - Gains from Buying Lower and Sell Higher ~ 2% to 4%
- Estimated annual Return ~ 14% to 20%

# What do you expect from an 8 Years Investment ?

- OK return is .....
- Good return is .....
- Wonderful return is .....



# There is Evolution AB (EVO), and there is “the rest”

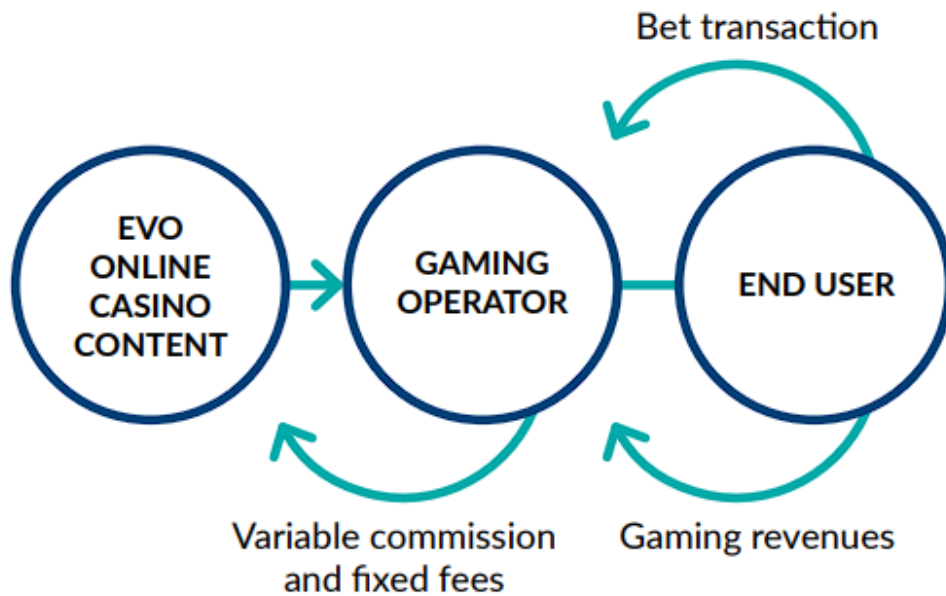


Evolution's return in 8 years+ since IPO:

# 76 folds !

(Annualised 70% during these 8 years+)

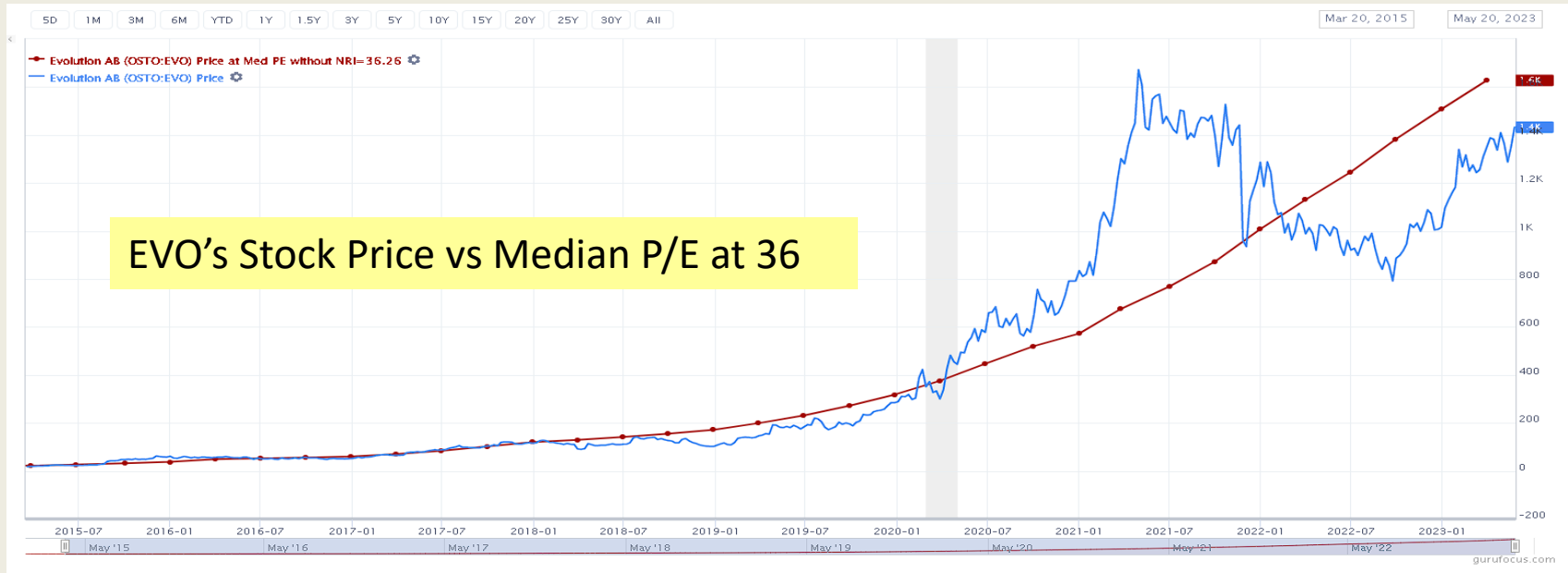
# EVO provides Online Casinos on B2B basis



# EVO's stock price rises so much because earnings per share rises so much



# EVO is selling below its median PE

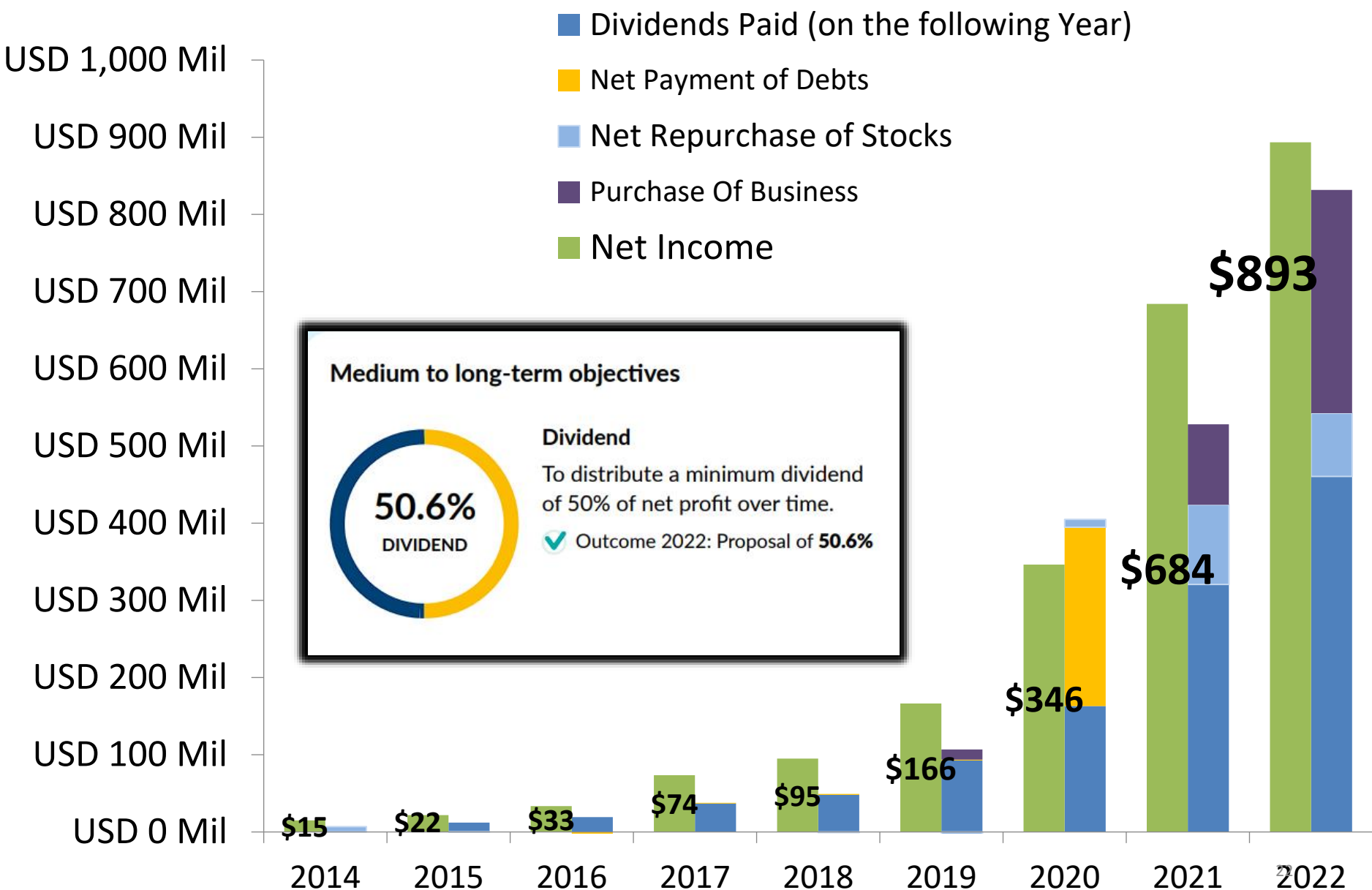






## One of EVO's Worst year is better than most company's Best

Group, EUR thousands	Oct-Dec 2022	Oct-Dec 2021	%	Jan-Dec 2022	Jan-Dec 2021	%
Operating revenues	407,480	300,233	35.7%	1,456,737	1,068,777	36.3%
EBITDA	279,529	206,915	35.1%	1,008,440	734,650	37.3%
EBITDA margin	68.6%	68.9%	-	69.2%	68.7%	-
Operating profit	250,004	184,541	35.5%	908,062	654,004	38.8%
Operating margin	61.4%	61.5%	-	62.3%	61.2%	-
Profit for the period	223,502	171,557	30.3%	843,361	605,435	39.3%
Profit margin	54.8%	57.1%	-	57.9%	56.6%	-
Earnings per share before dilution, EUR	1.05	0.80	31.2%	3.95	2.83	39.6%
Equity per share, EUR	16.23	14.91	8.8%	16.23	14.91	8.8%
OCF per share before dilution, EUR	1.22	0.83	47.1%	4.11	2.80	46.8%
Average number of FTEs	11,916	8,707	36.9%	10,802	7,917	36.4%

# Evolution pays 50% of increasing Net Profits as Dividends

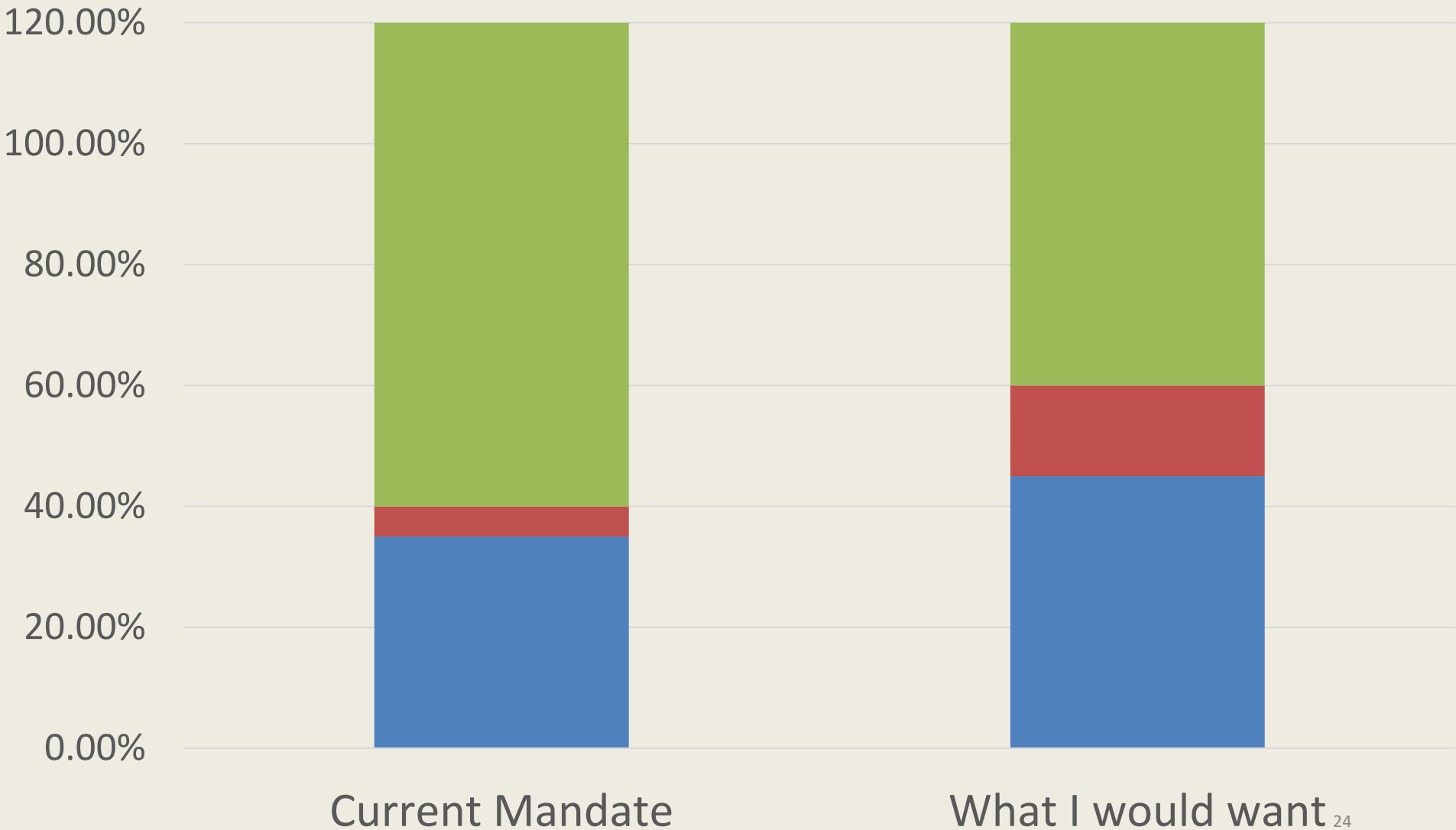


# What I love about EVO

- 1) Licensed in many countries.
- 2) Doesn't deal with end-users. Less regulatory requirements.
- 3) Over 500 customers. Among them are  
- 4) Fair deal with their customers.
  - a) Doesn't compete with their customers.
  - b) Customers pay a fixed cost + share of profits (10% to 20%) to EVO.
- 5) Superbly high historical growth rates in Revenues and Profits (62% annualised in 8 years, in USD).
- 6) Directors / Management have "skin" in the company.
- 7) Reasonable valuation (P/E below 30).
- 8) High conversion of Net Profits to Cash.
- 9) Operating in a high growth industry (Live Casino), riding on the growth alongside their customers (who have tens of thousands of customers).

# Current Mandate: Max in one company vs What I would want

■ Evo's %   ■ Max % in 1 Company   ■ Other Stocks





Q & A

~ Peter Lim.